

**Economic Advisory Commission
Meeting Summary
conducted via Zoom
November 16, 2021**

The November 16 Economic Advisory Commission (EAC) meeting was held virtually via Zoom because of the COVID-19 pandemic. EAC Chairman Foust began the meeting explaining that as such the meeting had to follow certain procedures due to FOIA and Fairfax County's Emergency Ordinance. The first requirement was that all EAC members could hear the proceedings from their individual locations. Those who could not were asked to raise hands or send a message through the chat box. EAC members were also requested to send their general location through the chat feature or send a message to Vance Zavela at Vance.Zavela@fairfaxcounty.gov.

EAC Chairman Foust then handed over the gavel to Supervisor Palchik to preside over the following motions that address the need for an electronic meeting and dispensing with normal FOIA procedures for continuity of operations during the pandemic:

- 1) Moved that "the State of Emergency caused by the COVID-19 pandemic makes it unsafe for this Commission and the public to physically attend this meeting in person, and the usual procedures cannot be implemented safely or practically. As a result, I further move that the Economic Advisory Commission conduct this meeting electronically through a dedicated video- and audio-conferencing line, and that the public may access this meeting by calling 602 333 0032 and entering access code 167352." It was seconded by Stephen Keat and approved unanimously.
- 2) Moved that "the Economic Advisory Commission certify that the matters on its agenda today relate to the COVID-19 emergency itself, are necessary for continuity in Fairfax County government, and/or are statutorily required or necessary to continue operations and the discharge of the Commission's lawful purposes, duties, and responsibilities." It was seconded by Taylor Chess and approved unanimously.

EAC Chairman Foust recognized Theresa Benincasa from the Department of Economic Initiatives to go over procedures on how to participate in the meeting. The minutes of the June 1 meeting were approved with no changes. He then provided a brief overview of the meeting and encouraged EAC member discussion.

Transitioning to 2022 - Economic Shifts and Opportunities to Watch

EAC Chairman Foust introduced Jason El Koubi, Executive Vice President of the Virginia Economic Development Partnership, and Paula Sorrell, Associate Vice President of Innovation and Economic Development, George Mason University. El Koubi began his presentation with 3 overarching themes: recovery trends, recovery outlook, and opportunities to accelerate recovery. He pointed out that Virginia's unemployment rate during the pandemic (from March 2020 to September 2021) has been lower than the overall rate of the United States.

During the peak of the pandemic in April/May 2020, Northern Virginia's unemployment rate spiked to nearly 11%, which amounted to 157,000 jobs lost since February of that year. The region is currently at a 6.3% unemployment rate (loss of 92,000 jobs) as of September 2021. The sectors of the state's economy which remain with the largest job losses include leisure/hospitality, other services, and non-essential

retail. A few sectors such as professional and business services, essential retail, and transportation/utilities have fully recovered as of today. In addition, unemployment claims are very close to pre-pandemic levels in Virginia. He noted that of the 208,000 people impacted over 174,000 lost a secondary job in those sectors with the greatest number of job losses. The populations most affected are those making less than \$20/hour, including those with less than a bachelor's degree, minorities, and women.

El Koubi shared that according to Moody's Analytics, Virginia will get to its pre-pandemic level of employment by the fourth quarter of 2022, with urban areas leading the way. The rural areas of the state will recover six months after the rural areas, assuming no additional negative impacts caused by COVID-19. Northern Virginia is well positioned to have strong growth after the pandemic. El Koubi then revealed four areas of opportunities for the state and region:

- 1) Manufacturing reshoring and new supply chains
- 2) Acceleration of digitization in Virginia (cloud computing, software, data centers)
- 3) Permanence of telework to provide opportunities for rural areas and small metro regions
- 4) Retooling and reskilling unemployed workforce

He pointed out that in addition to some of the longstanding strengths and recent advances to growth in a post-pandemic economy, there are opportunities to improve in the areas of early childhood education, childcare, shovel-ready projects, targeted tax changes, international trade, broadband access, workforce programs, and marketing. Looking toward the future, there will be ubiquitous broadband, growth in rural areas, expanded commercial space activities on the Eastern Shore, large increases in solar and wind power usage, and billions of dollars in investments in data centers. Virginia will also be a leader in container shipments, a leader in successes in export manufacturing, a leader in unmanned systems, a leader in rural and small metro tech centers, a leader in computer science (Amazon HQ2), a leader in data science, and leader in tech talent growth.

Sorrel began by providing a description of the Mason Enterprise Group, which is comprised of 100 people throughout Virginia as well as 14 different entities providing early-stage technology and small business support programs. In FY20, over 10,000 small businesses were served with 863 programs and trainings serving over 18,000 attendees with a direct impact of \$2 billion. The Community Business Partnership, recently designated as a Community Development Financial Institution, is staffed by George Mason employees.

The mission of the Mason Enterprise Group is to serve as a connector and operator of a high functioning and inclusive ecosystem for entrepreneurs. Over 400 businesses are involved in George Mason's incubators to assist those entrepreneurs. Services provided include talent, capital, facilities, business advice, technical support and customers to traditional businesses and tech startups. Mason is the largest producer of talent in the Commonwealth and has been designated as the fastest growing research institution in the United States. It will be starting a venture fund to support its growing research capabilities.

In 2021 the Office of Tech Transfer doubled in staff size to accommodate the growing technologies, especially in the bio tech and cyber security sectors. George Mason is the first higher education institution in the country to offer degrees in cyber security, data management and cloud computing. It also launched a maker space called The Mix. It held its first investor event, Accelerate 2022, which brought in many universities across Virginia and investors from 8 states, and included a student competition with cash prizes.

Sorrell also mentioned that George Mason is continuing work on the Innovation District Roadmap, which was a provision in the deal that brought Amazon HQ2 to Arlington. It will include an analysis of all George Mason campuses in Northern Virginia. George Mason is also completing the work to establish a SBDC/ICAP Mentor Team, which will enable tech companies access to free counseling. Finally, there have been construction delays on the Arlington Accelerator which have led to its launch being moved to January 2022.

In 2022 the Mason Enterprise Group will execute George Mason University President Washington's Virginia Promise, which will provide access to business services to all Virginians. There will also be the planning and execution of the Innovation District, regional entrepreneurship convening (via GO Virginia), an expansion of the Accelerator event (scheduled for November 2-3), and the start of the Coulter Model Translational Research and First Customer Program to provide wider access to early-stage companies.

- **Discussion**

- VEDP worked with internal and external partners in 2019 to develop Governor Northam's 15-year International Trade Plan to increase Virginia's export intensity. The three primary components are: 1) expanding export assistance programs; 2) investing in business sectors (e.g., autos, semiconductors) with strong export potential; and 3) investing in fundamental infrastructure to support exports. EAC members can assist the effort to identify and connect businesses to VEDP for assistance in exporting their products. DEI will send out information on the Export Assistance Centers to EAC members who know of companies that would be interested.
- The current economic development strategy for Virginia will continue and may be accelerated in the new administration. There is already strong support from the incoming governor. He has an ambitious goal of creating 400,000 jobs during his term. There will be a focus on early-stage business development and the growth of emerging technologies. It was noted, however, that Virginia has been historically risk-averse when it comes to providing incentives for business development and attraction.
- It was pointed out that Northern Virginia had a net growth in professional and technical services jobs every month during the pandemic when separating waste management and administrative services from that category. Northern Virginia's recovery will be a little slower because of the loss in business travel and a mismatch of skills for the large number of current job openings. VEDP has found that incentive programs to attract and retain existing workers have not been very effective. They are investing \$1.1 billion to expand degrees in computer science and technology fields for new workers to fill positions.
- Innovation Districts are usually anchored by universities but include public and private sector partners. Some of the programs established at George Mason, including the three research institutes, Digital Innovation, Bio Health Innovation and Sustainable Earth, are bringing in foundations, angel investors, and the federal government to solve big issues. Each Mason campus is looking to set up an Innovation District. There is a heavy focus on ROI since taxpayer dollars are involved from federal, state and local sources.
- The Arlington Incubator will be a 4,000 square foot facility located on the current Arlington campus.

2022 EAC Planning Discussion

EAC Chairman Foust introduced DEI Director Rebecca Moudry and thanked her and her team for the work done on setting goals, priorities, and procedures for EAC members to provide input to the Board of

Supervisors. Moudry began by thanking all of the EAC members for their feedback on the survey. She commented that many EAC members are eager to participate in a more robust fashion.

The survey found that the expertise of EAC members is very broad, but nearly half had experience in economic development. EAC members were then presented with 14 different topics to consider and then choose the ones they are most interested in. The top choices were Workforce Development in Growing Talent & Economic Success category, Business District in Revitalization/Placemaking in Creating Places Where Businesses Thrive category, Entrepreneurship/New Business Establishment in Supporting Business Development category, and Technology Development/Innovation in the Fomenting Innovation category. The ten members of the Board of Supervisors were then asked about which topics were their priorities. They agreed with the EAC member selections as well as all the other topics except two. EAC members were also given the opportunity to write in topics of interest and came up with seven of them. Most EAC respondents (83%) said they would participate in a working session on one of the two topics they identify for 2022.

The EAC 2022 structure proposed by Moudry will include two full EAC meetings, with the first to take place on March 29 at 3:00 p.m., likely in person. There would be two facilitated working sessions, one for each topic that would then be presented at the full EAC meeting. Those who volunteer for a working session will be given some advanced materials to review with DEI staff and will present a challenge statement to the full commission on that specific topic. The final goal would be to develop a policy recommendation to the full EAC. Moudry then presented a timeline with next steps for implementing the new structure.

In gathering feedback from EAC members, Moudry launched a series of polls to identify the two topics for the working sessions. The questions and top results were:

- 1) What is the most important issue within Business District Revitalization/Placemaking the EAC should consider? (15 of 42 respondents selected Placemaking.)
 - 2) What is the most important Technology Development/Innovation item the EAC should consider? (There was a tie as 12 members each chose “Facilitating financing/growth capital for tech firms” and “Mentorship for new tech entrepreneurs and companies.”)
 - 3) What is the most important Entrepreneurship/New Business Establishment item the EAC should consider? (There was another tie as 13 members each chose “Professional services to help entrepreneurs grow their business (i.e., e-commerce, branding, legal assistance, other)” and “Supporting infrastructure to grow small businesses (i.e., manufacturing space, incubators, other.)”)
 - 4) What is the most important Workforce Development item (from the employer perspective) that the EAC should consider? (13 respondents selected “Addressing gaps in worker training and preparation.)
- **Feedback/Discussion**
 - A recommendation was made to combine the two topics under Entrepreneurship/New Business Development since they received the same number of votes.
 - Provide a Zoom option for those who cannot meet in person.
 - Focus on county policy (i.e., tax structure) to find ways to make Fairfax County more competitive with its neighbors.
 - Supervisor Herrity stated that the EAC should look into how to make starting a business easier and less complicated. He added that funding of businesses should remain with the private sector, but Fairfax County can focus on policies to make it more readily available.

- A question was raised about how diversification fits into new business development. It will be taken up as a potential topic to consider.
- Supervisor Foust encouraged EAC members to continue sending in ideas and feedback to Moudry or himself on the topics and structure.

Meeting was adjourned.

EAC MEETING ATTENDANCE LIST 11/16/2021 (with locations)

PRESENT: Hon. Walter Alcorn (Hunter Mill District), David Baker (Alexandria), Dominic Bonaiuto (Lee District), Janice Brangman (Fairfax), Anthony Chang (Mason District), Taylor Chess (Braddock District), Dr. Terry Clower (Stafford), Angelica Delboy (Fairfax), Hon. Pradip Dhakal (Herndon), Sheila Dixon (Chantilly), William Drohan (Great Falls), Eileen Ellsworth (Oakton), Hon. John Foust (Dranesville District), Kristina Francis, Paul Gilbert (Fairfax Station), Sol Glasner (Tysons), Luanne Gutermuth (Richmond, VA), Hon. Patrick Herrity (Springfield District), Michael Hewitt (Dulles Airport), Bryan Hill (Fairfax), Alex Iams for Victor Hoskins (Tysons), Todd House (Falls Church), Evan Kaufman (Lorton), Stephen Keat (Alexandria), Lenore Kelly (Fairfax), Esther Lee (McLean), Robert Makheja (Tysons), Sean Mallon (Mount Vernon District), John McGranahan (Tysons), Kevin McNulty (Mount Vernon District), Phillip Niedzielski-Eichner (Oakton), Hon. Dalia Palchik (Providence District), Hon. Steve Potter (Vienna), James Quigley (Vienna), Kevin Reynolds (Fairfax Corner), Shelton Rhodes (Fairfax), Todd Rowley (Fairfax), Brian Schoeneman (Centreville), Julie Strandlie (Mason District), Linda Sullivan (Mason District), James Tholen (Dranesville District), Carol Welti (Vienna), Brian Winterhalter (Washington, D.C.), Clifford Yee (Providence District), Hillary Zahm (Chicago, IL), Ed Zaptin (Fairfax)

NOT PRESENT: Barry Biggar, Dr. Scott Brabrand, Mark Carrier, Julie Coons, Hon. Penelope Gross, Kelly Pride Hebron, Hon. William Holloway, Thomas Dana Kauffman, Edythe Kelleher, Hon. Rodney Lusk, Hon. Jeffrey McKay, TJ Radtke, Mohammed Siddique Sheikh, Hon. Kathy Smith, Sharon Steele, Hon. Dan Storck, Jennifer Taylor, John Thillman, Hon. James Walkinshaw, Tom Weithman, Frank Woodruff, Niki Zimmerman